



City of San Bruno

REQUEST FOR PROPOSAL (RFP) FOR CONSTRUCTION OF SINGLE FAMILY HOMES CRESTMoor NEIGHBORHOOD

I. INTRODUCTION AND BACKGROUND

The City of San Bruno is seeking qualified homebuilder/developers to construct up to ten (10) single-family homes in the Crestmoor Neighborhood. The Crestmoor Neighborhood is the site of the September 2010 PG&E gas pipeline explosion and fire that resulted in the loss of 8 lives, the destruction of 38 homes, and extensive damage to an additional 17 homes.

Since the gas pipeline incident, reconstruction of the neighborhood has been ongoing. To date, twenty-one destroyed homes have been rebuilt or are currently being constructed. PG&E owns six (6) vacant lots and has an additional lot currently in escrow to purchase. The City of San Bruno owns five (5) lots, three (3) of which are available for development as a part of this RFP. The selected developer will construct nine new homes with the possibility of one additional home should PG&E close escrow on the remaining lot in the near future.

The City and PG&E have entered into an agreement that authorizes the City to issue this RFP and to select a single homebuilder/developer ("Developer") to construct the new homes on all of the designated lots. Interested developers shall not contact PG&E regarding this RFP or development of the lots. All inquiries shall be directed to Tony Rozzi, City of San Bruno at (650) 616-7089 or via email at trozzi@sanbruno.ca.gov.

Once selected, the Developer will be expected to enter into a Development Agreement (DA) with the City to construct homes on these lots in accordance with the City's [development standards](#), building requirements and timeframe as specified in this RFP.

Following a review of proposals submitted by interested developers, the City will interview one or more teams that it determines to be best suited to successfully build the homes and make a final recommendation for approval by the City Council. Only one developer will be selected to develop all lots.

II. DEVELOPMENT OPPORTUNITY

Overview

In the aftermath of the 2010 PG&E gas line explosion and subsequent fire that destroyed 38 homes and severely damaged 17 homes, the City Council encouraged displaced residents to return to the community and rebuild. To date, seventeen (17) of the destroyed homes have been completed and four (4) are currently under construction. There are nine (9) vacant parcels available for development,

measuring between 5,000 and 7,500 square feet in size with rear- and front yard Public Utility Easements in many instances. In addition, one more parcel may become available for development during or after the RFP process. The Overview Map of Vacant Parcels (Exhibit 1) illustrates the location of the lots that are available for home construction per this RFP:

Address	Owner	Lot Size	Maximum Floor Area**
981 Glenview Drive	<i>City of San Bruno</i>	5490	2929
1110 Glenview Drive	<i>City of San Bruno</i>	5150	2745
1641 Claremont Drive	<i>City of San Bruno</i>	5893	3047
951 Glenview Drive	<i>PG&E</i>	7108	2377
991 Glenview Drive	<i>PG&E</i>	6005	3105
1721 Earl Avenue	<i>PG&E</i>	7129	3344
1655 Claremont Drive	<i>PG&E</i>	7495	3504
1115 Fairmont Drive	<i>PG&E</i>	5000	2750
2735 Concord Way	<i>PG&E</i>	5292	2823
1100 Glenview Drive	<i>In Escrow to PG&E*</i>	6014	3013

** May become available for purchase.*

*** This is an estimate of allowable floor area, which includes a minimum 400 s.f. garage, and should be verified using the Residential Development Standards.*

The City requires that each vacant parcel be developed with a single family home. A licensed architect should design the individual homes for each property, conform to all [development standards](#), as well as the City's [Residential Design Guidelines](#), and respect the prevailing development pattern in the entire neighborhood, which is modest in size.

It is the City and the community's goal to have all of the homes that are the subject of this RFP constructed and sold by the time that all of the infrastructure is completed in the neighborhood (end of 2014). Ideally, the successful developer will be able to construct and sell all nine (or ten) homes within a 12-16 month timeframe from the selection by the City as the Developer.

Public Infrastructure Improvements in the Neighborhood

The City is currently in the process of reconstructing the infrastructure in the entire Crestmoor neighborhood. All of the subject lots have the required utility connections in place to the property line (with the exception of PG&E gas service that will be extended during home construction). The City has recently completed new infrastructure (water, sewer, storm drain) replacement in the portion of the neighborhood containing these lots. The next phase of the infrastructure reconstruction (Phase III) will replace the same underground utilities in the remainder of the neighborhood. Phase III is scheduled to be completed in spring 2014. The final phase of infrastructure (Phase IV) will be the replacement of curb, gutter, sidewalk, roadway resurfacing, and new streetlights in the entire neighborhood. Phase IV will commence upon the completion of Phase III and

should be completed by the end of 2014. The replacement of the former “tot lot” park at Earl Avenue and Glenview Drive (possibly on the 1670, 1680, & 1690 Claremont lots) will also occur during this timeframe. More information regarding the infrastructure replacement project can be found at the Rebuild Crestmoor Website at www.RebuildCrestmoor.org.

Environmental Background

The City anticipates filing a Notice of Determination that the project is Statutorily Exempt per the California Environmental Quality Act (CEQA) according to Section 15302: Replacement or reconstruction of existing structures and facilities and Section 15303(a): Construction and location of one-single family residence on a legal parcel in a residential zone.

The San Mateo County Health Department - Environmental Health Services Division directed the removal of building debris from the destroyed and damaged houses and performed testing for the presence of hazardous materials as part of the cleanup effort after the September 2010 fire. Following the demolition and debris removal operations, the lots where homes burned down underwent extensive soil contamination testing. This testing indicated that results were well below the thresholds of concerns for risks to human health. A sample report submitted to the City by San Mateo County is available in the Available Project Information section at the end of this document. Reports on all vacant lots will be made available to the selected development team.

Developer’s Financial Responsibility

It shall be the Developer’s responsibility to secure any necessary funding for the purchase of the lots and the construction and sales of the homes. No financial assistance will be provided by the City. All costs for building permits, development review, plan checking, building inspection and other services required for the home construction shall be borne solely by the Developer. A representative calculation for the permit fees associated with an example 2,500 square foot house in this neighborhood is included in the Design Criteria and Requirements section. The successful Developer shall be required to fund a deposit account with the City to ensure the payment of all staff and consultant time in processing the entitlement approvals for the proposed homes. This will be in addition to direct permitting fees (e.g. building permit, encroachment permit, San Bruno School District fees).

Upon selection of a developer by the City Council and subsequent execution of a Development Agreement, the Developer shall be prepared to immediately begin design of the proposed homes. A non-refundable deposit of \$125,000 shall be placed into escrow upon execution of the Development Agreement to ensure the homes are constructed. These funds shall be drawn against to cover staff and consultant time described above as part of the deposit account. Any funds remaining at the completion of design approval shall be applicable to the purchase price. The Developer shall close escrow on the purchase of each lot within five (5) calendar days of issuance of the building permit for each lot. All necessary performance bonds and other assurances to guarantee the completion of all of the homes, as specified in the Development Agreement, shall be in place at the time of building permit issuance.

III. DESIGN CRITERIA & REQUIREMENTS

The planned homes in this proposal for the Crestmoor neighborhood will need to strictly adhere to the City's development standards without requiring entitlement approval; shall follow the adopted Residential Design Guidelines; and participate in a public input process as requested by the City. The City is not seeking "custom" homes in this neighborhood. The new homes will need to adhere to the aesthetics of the existing neighborhood and blend with the surrounding development. Although designs that exceeded the development standards were considered and approved for displaced property owners, the City **will not** consider homes on these lots that exceed the development standards.

All proposals for the vacant lots in the Crestmoor neighborhood will need to strictly adhere to the City's pre-disaster [development standards](#) without requiring approval of any variance, conditional use permit, or other exception to those standards. The selected Developer shall follow the adopted Residential Design Guidelines to ensure the construction of homes that are consistent with the aesthetics of the homes that existed pre-disaster, and participate in a public review process by the City.

A. Development Standards

The selected development team will have a demonstrated ability to design a project that fits the character and scale of the neighborhood and follows the current development standards below.

- Overall Size – The maximum permitted floor area is inversely proportional to size and slope of a lot. In general, the maximum Floor Area Ratio (FAR) will be .55 but the average slope of the lot will determine the maximum FAR. All enclosed area is included in the floor area calculation (living area, garage). Open patios do not count towards the floor area calculation.
- Parking – A two-car parking garage will be required, with a minimum 20'-0" by 20'-0" interior dimension. A 20'-0" driveway, measured from back of sidewalk to face of garage is required.
- Lot Coverage – The maximum allowable lot coverage is 80% of the maximum allowable floor area.
- Height – Limited to a two-story building with a height of 28 feet for lots with less than a 20% slope.
- Setbacks:

Front Yard

- a) 15 feet from front property line to front of main structure
- b) Open porches and similar architectural elements may be as close as 9'-0" from the front property line.

- c) 20 feet from back edge of the sidewalk to front of garage (Size of driveway)

Side Yard

- a) 5 feet from side of main structure to side property line (Interior side)
- b) 10 feet from side of main structure to side property line (Corner side, if applicable)

Rear Yard

- a) 10 feet from back of main structure to rear property line

Front Property Lines

The location of front property lines vary based on the width of the City's right of way. Property lines are measured from the back of sidewalk as follows:

- a) Glenview Drive between San Bruno Ave and Earl Ave – 5.5 feet
- b) Glenview Drive between Earl Ave and Plymouth Way – 4.5 feet
- c) Claremont Drive – 5.5 feet
- d) Earl Avenue – 4.5 feet
- e) Fairmont Drive – 4.5 feet
- f) Concord Way – 5.5 feet

Public Utility Easements

There are several public utility easements (PUE) in the neighborhood and on the vacant parcels. No structures are permitted in a PUE. The individual lot surveys and topographic survey indicate the location of easements and are available in the Available Project Information section.

B. Residential Design Guidelines

The City will require that the successful proposal include several home designs for the vacant lots and that no single design will be used more than three (3) times or be located adjacent to one another. Front elevation options shall be offered to create further diversity within the project. All attempts should be made to create a thoughtful, varied set of designs for the replacement homes.

Although the development standards detail the general limits for the mass and scale of the home design, the architectural design team should reference the Residential Design Guidelines closely for specific façade expectations, including:

- Neighborhood Compatibility
- Second Floor Treatment
- Entries
- Doors and Windows
- Materials and Colors
- Architectural Details
- Open Space and Landscaping
- Privacy and Solar Access

[The Residential Development Guidelines](#) that will be applicable to this project are accessible from the Available Project Information at the end of this document.

C. Green Building

The circumstances of this development opportunity are unique, given the natural gas line explosion and subsequent fire that destroyed a large portion of the neighborhood. The homeowners who have chosen to rebuild have made sustainable construction a priority. Many of the rebuilt homes are a minimum 35% more energy efficient than typical homes in California and offsetting 100% of their electricity demand with solar power. Two homes are currently being certified as LEED Platinum and two homes are currently being built to LEED Gold standards and preparing for certification. Proposed homes should reflect the rebuilding community's commitment to energy independence and efficiency.

The City encourages, but does not require, the following:

- A Title 24 energy report that is a minimum 35% better than CA code
- Quality Insulation Installation (QII) verified by a certified QII inspector
- Solar photovoltaic and/or solar hot water installation

Proposals that include green building elements will be evaluated favorably.

D. Development Review and Permitting

Planning Entitlement

The City expects to execute a DA to transfer the vacant parcels to the selected development team. As part of that DA, the City will require an Architectural Review Permit and associated public review process. The Architectural Review Permit process will require a high quality submittal that includes complete floor and site plans, elevations, renderings, material samples and associated graphics to illustrate compatibility with the Residential Design Guidelines.

Building Permit

The Community Development Department will be the lead Department for design and development review. The City expects to review all the homes as one submittal package and will issue individual building permits for each home.

There are no timing restrictions for breaking ground in San Bruno but storm water pollution prevention measures will be required for the rainy season between October 1st and April 30th. Seasonally appropriate best management practices shall be required through the year.

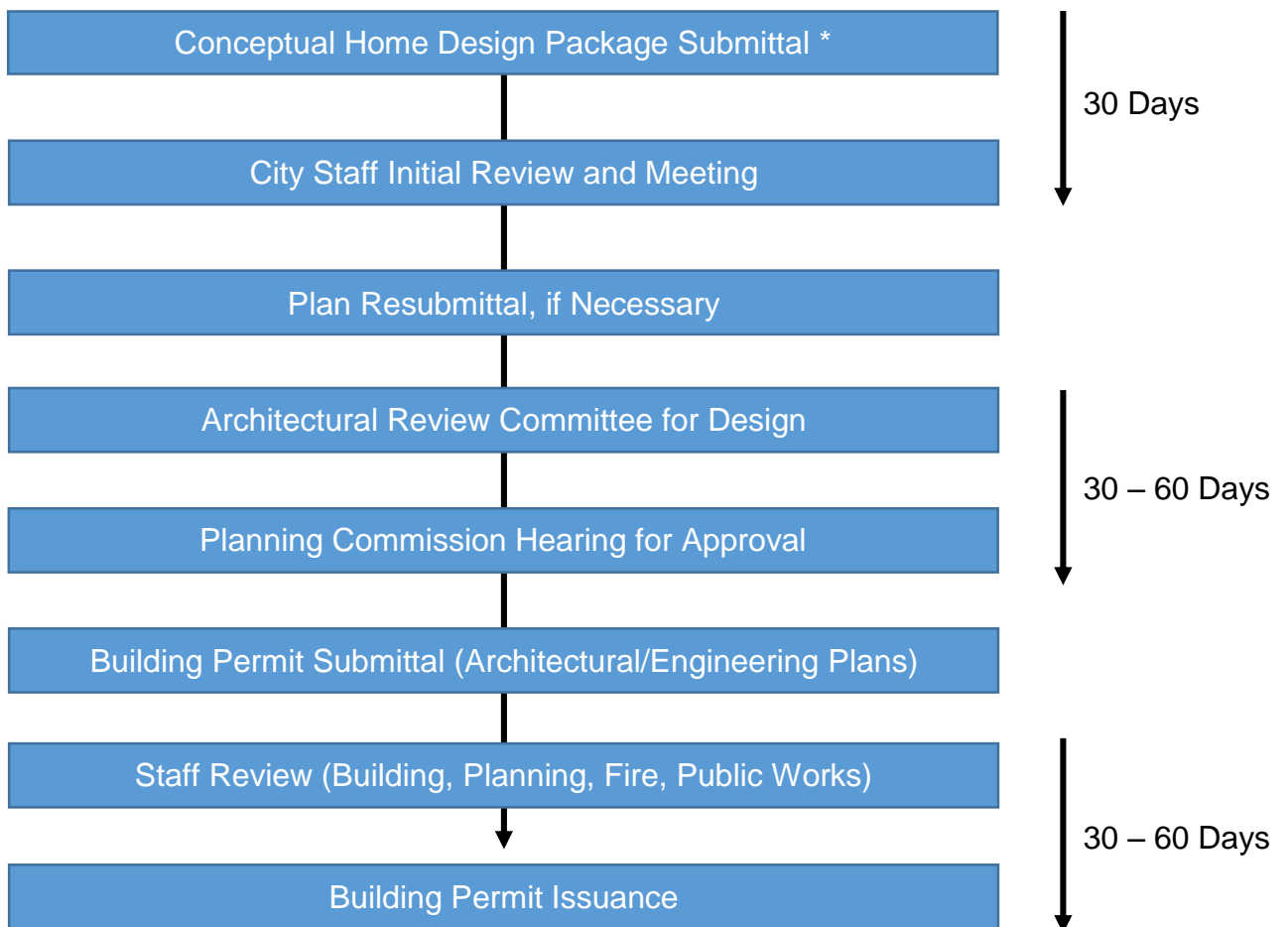
Development Fees

All fee estimates are based on a home with 2,500 s.f. of living area and a 400 s.f. garage. The fee estimates were generated using minimum valuations and are subject to change based on actual building costs at time of building permit submittal.

Building Permit Estimate	\$ 38,500	Based on minimum valuation of \$185/s.f. for finished space and \$70/s.f. for garage. Includes wastewater and water capacity charges.
San Bruno School District Fee	\$ 7,425	Calculated at \$2.97/s.f. of new living area
Encroachment Permit	\$ 354	Plus \$276 refundable deposit
Estimated Total	\$ 46,279	Per home

Approval Process Overview for New Homes

The following flow chart indicates the process for the review of the new homes:



* Per Section III Design Criteria and Requirements, all homes must meet current development standards and building codes. No Use Permit requests will be considered.

IV. SUBMITTAL REQUIREMENTS

The Developer should have a successful track record of construction of multiple homes simultaneously and must demonstrate the financial viability of its offer to purchase these lots.

Respondents to this RFP are requested to supply all of the information described herein, in a complete yet concise format. The City expects submittals to provide enough information to allow staff and other advisors to evaluate and rank the qualifications of the Development Teams.

Developer's proposals shall follow the order and contain, at a minimum, the following information:

Project Team and Qualifications

- Executive Summary of the firm(s)
- Team member names, roles and contact information
- Resumes of Team members highlighting their experience in single-family residential home construction
- Designated public liaison to interface with the community
- Minimum of three (3) references from completed home building projects

Previous Single-family Home Construction Experience

- Provide a brief narrative of five (5) residential single-family construction projects that the team members have completed within the last 10 years, focusing on partners, financing, type of homeownership programs, roles and tasks
- Include three (3) examples of home designs/floor plans and elevations with finished color project photos if available (Ten page maximum, not including home designs and photos)

Financial Capacity

- Financial statements for the last two (2) years for which they are available
- Evidence of ability to close purchase of lots and ability to finance and construct. Provide letter or other evidence from prospective construction lender indicating willingness to provide construction financing or provide proof of funds adequate to construct homes.
- Provide financial information on equity partners (if any)
- Bonding capacity and name, address and phone number of bonding company

Design Proposal

- One preliminary (conceptual) illustrative home design for a corner lot
- One preliminary (conceptual) illustrative home design for an interior lot
- Preliminary plans should include a site plan, floor plan(s), and elevations
- The City will be looking for consistency with the Development Standards and Residential Design Guidelines

Build out Schedule and Marketing Plan

- Provide an estimated timeline of build out of the homes and sales schedule based upon Developer's knowledge of the market for the homes in this area.
- Provide a narrative of the marketing and sales plan/effort that is anticipated to achieve the estimated delivery timeline.

Purchase Price

The Developer shall provide a binding purchase price for each of the lots per this schedule:

Address		Purchase Price
1	981 Glenview Drive	
2	1110 Glenview Drive	
3	1641 Claremont Drive	
4	951 Glenview Drive	
5	991 Glenview Drive	
6	1721 Earl Avenue	
7	1655 Claremont Drive	
8	1115 Fairmont Drive	
9	2735 Concord Way	
10	1100 Glenview Drive	

Supplemental Information

The Developer is free to include any additional supplemental information regarding their approach, delivery/sales strategy, scheduling, timing, or other items that may differentiate their proposal from others.

Any part of the proposal considered to contain proprietary or other privileged information shall be marked as "Confidential".

V. SUBMITTAL DELIVERY AND SCHEDULE

All responses to this RFP must be submitted on or before **4:45 PM on September 6, 2013** to the following address and contact:

Tony Rozzi
Contract Associate Planner
City of San Bruno
567 El Camino Real
Tel: (650) 616-7089
Fax: (650) 873-6749
Email: trozzi@sanbruno.ca.gov

The City requests five (5) hard copies of the full proposal and one electronic copy on CD in PDF format. Late proposals will not be considered and incomplete proposals may be rejected.

No later than 5:00PM on Tuesday, September 10, 2013, all potential proposers shall submit a statement of their intent to submit a proposal to the City of San Bruno. This notice of intent shall include the proposer's company name, address, primary contact and primary contact's e-mail address and telephone number. This notice of intent shall be emailed to the City contact at the email listed above.

Proposals must be made in the official name under which the respondent's business is conducted and must be signed by a person duly authorized to legally bind the entity submitting the proposal.

To maintain an open process, all questions shall be directed via e-mail on or before September 19, 2013 to the contact person above. The City will group and respond to all questions (without attribution). Responses will be made available as an addendum to this RFP and published on the Rebuild Crestmoor web site (www.rebuildcrestmoor.org). No information other than that flowing through these channels will be provided once the RFP has been released. In addition, interested parties may participate in the Bidders Conference, as described further herein.

The overall schedule for this RFP process is summarized below:

Action/Event	Schedule/Deadline
City release of RFP	August 21, 2013
Deadline for Notice of Intent to Submit Proposal	September 10, 2013 (5:00 PM)
Mandatory Bidders Conference	September 12, 2013 (1:00 PM @ San Bruno City Hall)
Deadline for submission of questions related to the RFP	September 19, 2013 (5:00 PM)
Deadline for submissions of RFP	September 25, 2013 @ 4:45PM
Interviews of selected team(s)*	Week of October 7, 2013
City Council Consideration*	October 22, 2013
DA Negotiation & Execution Period*	November 2013
DA to City Council*	December 2013

**Denotes dates are tentative and subject to change.*

As noted, the City will be hosting a Mandatory Bidders Conference at the San Bruno City Hall to answer any questions related to this RFP on September 12, 2013 at 1:00 PM. Interested parties must attend in person.

VI. SELECTION CRITERIA AND PROCESS

This RFP is the first step in considering the selection of a qualified development team to construct these homes. Upon receipt of qualifications packages from interested parties, City staff and its advisors will review and screen the list of candidate developers down to selected finalist. The finalists will be asked to participate in an interview with the City and its selected advisors. Based on the submittal materials, the interview, and the application of the criteria described below, the City will select a top-ranked team and prepare a staff report for consideration by Council.

Upon approval by the City Council, the selected developer and the City will negotiate and execute a DA for the construction of the homes on the lots. The exact terms and conditions of the DA will be determined subsequent to selection of a Developer. However, the DA will include milestones for construction timing, development guidelines, payment terms and timing, deposits, and other items requiring clarity and documentation for both the City and Developer. Substantial deviations from the terms outlined by the Proposer in response to this RFP may be grounds for disqualification.

The City does not warrant or promise to select a finalist developer and reserves the right to determine its best course of action. The City also reserves the right to select a developer based on the response to this RFP, foregoing the interview process, if it is determined at its sole discretion that it is advantageous to do so. Further, the City reserves the right to modify the terms and conditions of this or subsequent offerings, and to alter the selection process, criteria, and timetable as circumstances require, including making no selection at all.

Each proposal will be evaluated in its entirety with all of the submittal requirements described above being considered as appropriate. In conjunction with the evaluation of each Submittal for responsiveness and conformance to the RFP, the City will evaluate each Submittal based upon the following primary criteria.

1. Developer Experience and Qualifications

The City will carefully evaluate the qualifications of the Developer, and the specific personnel assigned to this project, in terms of their home building experience. In addition, the residents of the Crestmoor neighborhood have all experienced significant impacts and disruption due to the September 9, 2010 PG&E gas pipeline explosion and fire and ongoing reconstruction within the community. Assigned personnel to this project and the construction of these homes shall respect the history in the neighborhood. Developer shall include a qualified liaison to interact with the community in a thoughtful and sensitive manner.

2. Financial Capacity and Acumen

The City will evaluate the developer's demonstration of a credible ability to provide adequate funds to acquire the lots and construct these homes in the timeframe required for this project. The financial and organizational capacity of

the proposed development entity that will be signing the DA will be of critical importance. The proposal shall include the disclosure of current uncommitted equity capital on hand, lines of credit available, and estimates of how much debt and equity could be made available for this project. Selection will be significantly weighted in favor of those responses that include strong equity capacities backed by quantified information.

3. Delivery Schedule and Timing

The development of homes on these vacant lots is a priority for the City and the community. Given the pace of the reconstruction of the infrastructure in the neighborhood, it is anticipated that a majority of the street and utility reconstruction will be completed by January 2015. Proposals should consider the desire to have all of the homes constructed within this timeframe. Regardless, a realistic projection of the construction and sales timeframe should be included in the proposal. Any concerns or issues that could impact the delivery timing should be fully explained and discussed.

4. Purchase Price

The purchase price to be paid to the City and PG&E for the lots is an important aspect of the proposal. However, purchase price is not the overriding or primary issue that will be considered in the selection of a developer. A developer who possesses the financial ability to deliver the project, proven track record and experience, the sensitivity to the environment of the neighborhood, and resources to meet the desired timeframes may be selected even if their purchase price is not the highest.

5. Special Requirements or Conditions

The City will consider the implications of any significant conditions, limitations, special requirements, reservations or conditions precedent that the Developer will require before signing a DA. Developers shall clearly and candidly state special requirements in the proposal.

VII. GENERAL CONDITIONS

Any material clarifications or modifications to the RFP or the selection process will be made in writing and provided to all registered proposers. It is the responsibility of the developers, before submitting a response to the RFP, to ascertain if any notices, clarifications, addenda, or other communications to responders have been issued by the City. Oral explanations or instructions from City staff or consultants shall not be considered binding.

Developers' responsiveness to all items in this RFP will be taken as evidence of the developer's interest and commitment to the project. A failure to respond completely will be interpreted as a lack of full interest and commitment or a deficiency on the developer's part.

The City reserves the right to:

- Modify or cancel the selection process or schedule at any time.
- Waive minor irregularities.
- Reject any and all responses to this RFQ/P and to seek new submissions when it is in the best interest of the City to do so.
- Seek clarification or additional information or evidence from individual respondents, including, but not limited to, evidence of the developer's financial status.
- Judge the developer's written or oral representations as to their veracity, substance and relevance to development in the Crestmoor neighborhood, including seeking and evaluating independent information on any Developer.
- Incorporate this RFP and the selected team's response to this RFP as a part of any formal agreement between the City and the developer.
- Modify the development opportunity available to potential Developers.

All expenses related to any developer's response to this RFP, or other expenses incurred during the period of time the selection process is underway, are the sole obligation and responsibility of that Developer. The City will not, directly or indirectly, assume responsibility for these costs. In addition, the City shall not be liable for any real estate commissions or brokerage fees which may arise as a result of the Developer selection process.

The proposer shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or outside consultant associated with the development of the Crestmoor neighborhood for purposes of influencing consideration of a response to this RFP.

The City makes no representations about the conditions of the site, including utilities, soils, or other surface or subsurface conditions. The respondent shall make its own conclusions concerning such conditions. Information provided in this RFP, as well as in related reports by City staff or consultants, is provided for the convenience of the responders only and is not intended to be exhaustive. The accuracy or completeness of this information is not warranted by the City.

VIII. AVAILABLE PROJECT INFORMATION

The following website provides a number of documents in addition to a copy of this RFP. It also includes notices concerning important dates and events. As noted above, answers to e-mailed questions will be posted to this website and any additional notifications will also be posted.

http://www.rebuildcrestmoor.org/app_pages/view/300

Available Exhibits for review include:

- 1) Overview Map of Vacant Parcels
<http://www.rebuildcrestmoor.org/files/managed/Document/308/Crestmoor%20Vacant%20Lots%20061213.pdf>
- 2) Single Family New Home Construction Development Standards
http://www.sanbruno.ca.gov/comdev_images/planning/Residential%20Additions%20&%20New%20Construction.pdf
- 3) Residential Design Guidelines
http://www.sanbruno.ca.gov/comdev_images/planning/San%20Bruno%20RD%20FINAL%20042210%20.pdf
- 4) Topographic Survey Map
<http://www.rebuildcrestmoor.org/files/managed/Document/301/Topographic%20Survey.pdf>
- 5) Topographic Survey of Individual Vacant Lots
<http://www.rebuildcrestmoor.org/files/managed/Document/311/Individual%20Lot%20Surveys%20for%20RFP.pdf>
- 6) Pre- and Post-Removal Activity Results Report for 1680 Claremont Drive
<http://www.rebuildcrestmoor.org/files/managed/Document/312/1680%20Claremont%20Dr%20Pre%20and%20Post%20Removal%20Report.pdf>